

SENATE BILL REPORT

SB 5519

As Reported by Senate Committee On:
Health Care, February 21, 2013

Title: An act relating to enacting planning measures to provide for the future long-term care services and supports needs of the aging population.

Brief Description: Concerning planning measures to provide long-term care services and supports needs of the aging population.

Sponsors: Senators Bailey, Darneille, Dammeier, Keiser, Litzow, Kohl-Welles and Conway.

Brief History:

Committee Activity: Health Care: 2/11/13, 2/21/13 [DPS-WM].

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 5519 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Keiser, Ranking Member; Bailey, Cleveland, Ericksen, Frockt, Parlette and Schlicher.

Staff: Kathleen Buchli (786-7488)

Background: The population of people in Washington State aged 65 and older is expanding at an unprecedented rate. State and local governments and service providers are seeing increasing numbers of individuals who are in need of information and services to meet long-term care needs. The growth in the population needing care and smaller family size in the baby boom generation has combined to decrease the ratio of caregivers to those needing care. It is estimated that in 1990 there were 11 potential caregivers for each person needing care; by 2050, that ratio will be four to one. While the state is facing the demographic pressure of an aging population and long-term care financing challenges, the national and state economies are dealing with the current economic downturn.

The Aging and Disability Services Administration (ADSA), located in the Department of Social and Health Services (DSHS), assists adults with disabling conditions due to aging, disease, or accident, and children and adults with developmental disabilities to gain access to the high quality, cost effective supports and services they need. Every four years, ADSA develops a State Plan on Aging. Among the goals of the current State Plan on Aging are the

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following: to empower the informed decision making of older people, their families, and others by providing easy access to information and referral for both public and private health and long-term support; to enable older adults to remain in their homes and maintain quality of life by strengthening the statewide system of home and community-based services, caregiver support, the integration of behavioral health and family support services within the home, and community-based long-term care system and the expansion of participant directed models of support; and to empower older people to stay healthy and active through expansion of evidence-based healthy aging programs.

Area Agencies on Aging are local organizations across the nation that develop and promote services and options to maximize independence, quality of life, and choice for older people, adults with disabilities, and family caregivers.

Aging and Disability Resource Centers (ADRCs) offer long-term care information, referral, and assistance for people of all ages. ADRCs are a collaborative effort of the federal Administration on Aging and the Centers for Medicare & Medicaid Services, and provides states with an opportunity to integrate long-term supports and services into a single, coordinated system.

On February 8, 2013, the Secretary of DSHS announced that ADSA's responsibilities would be assigned to three smaller administrations, one of which is the new Aging and Long-Term Support Administration.

Summary of Bill (Recommended Substitute): DSHS must contract with Area Agencies on Aging to conduct distribution of family caregiver long-term care information and support services to the extent of available funding. Part of this activity must include outreach to people in the community who would benefit from family caregiver long-term care information and support services.

ADSA must report to the Legislature on a phased expansion plan to meet the demands of an aging society and extend caregiver support to a greater percentage of caregivers in need. ADSA must also report on: existing funding on ADRCs throughout the state; the level of funding necessary to achieve the full complement of ADRC functions statewide by December 1, 2017; the preliminary results of evaluations underway on the ADRCs; and the roles and responsibilities of the ADRCs. These reports must be developed in consultation with stakeholders such as individuals with developmental disabilities, physical disabilities, behavioral health needs, and long-term care needs.

The Office of Financial Management (OFM) must evaluate options to support families preparing for the cost of long-term services and supports needs. These options include the following: tax incentives to encourage individuals to purchase private long-term care insurance and to encourage employers to offer private long-term care insurance to their employees; options to incentivize state workers to participate in employer-offered long-term care insurance; options to increase take-up rate of long-term care partnership policies; regulatory changes necessary to encourage the use of life insurance to finance long-term services and supports; and a public insurance option financed through voluntary or mandatory contributions. Options must be evaluated on how they: delay or divert Medicaid long-term care utilization and provide relief for family caregivers; support individuals with

functional or cognitive limitations so they are able to remain in the community through home care and adult day health services; expand long-term coverage and supports for the greatest number of people; address workforce recruitment issues; are affordable; promote economic security; and impact the general fund.

A Joint Legislative Executive Committee on Aging and Disability Issues (Committee) is established; with membership to come from the Senate, the House of Representatives, the Governor's Office, DSHS, and the Health Care Authority. The Committee must: establish a profile of Washington's current elderly and disabled population; establish an inventory of the services and supports currently available to the elderly and disabled; assess the area of the current system where additional support is needed; establish a profile of the expected elderly and disabled population in 2025, including future services and supports to be needed by this population; develop statutory and regulatory changes to promote the efficient use of resources; develop practices to maintain the independence of the elderly and disabled population; develop caregiver supports and resources for populations with special needs; and develop housing and transportation programs to help individuals maintain their independence.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (Recommended Substitute): The requirement that DSHS must contract with Area Agencies on Aging to conduct distribution of family caregiver long-term care information and support services must be conducted to the extent of available funding. The requirement that OFM provide staff support to the Committee is removed.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: We need to address long-term care issues and the requirements of our aging population. There is a disconnect between people aging today and the services available to them. We need to look at aging and the resources needed to address future needs. We need to address the age wave that is hitting us now. People are living longer and we are seeing a large demographic change that we need to be prepared for. There are no committees that look at aging issues in a global way; we need to look at housing, transportation, vulnerable adults, and financing options. The ADRCs and the family caregiver support programs have demonstrated their ability to help caregivers. If we help caregivers, we keep people out of nursing homes and keep costs down. Options counseling is critical; we need to look at private insurance options. The aging population includes the disabled population because people with disabilities are getting older and their needs must be planned for as well.

OTHER: The requirement that OFM study regulatory changes necessary to encourage the use of life insurance to finance long-term services and supports is ambiguous and needs clarity to describe what is intended to be regulated.

Persons Testifying: PRO: Senator Bailey, prime sponsor; Ingrid McDonald, AARP WA; Dennis Mahar, Thurston County Area Agency on Aging; Jim Freeburg, Multiple Sclerosis Society; David Lord, Disability Rights WA.

OTHER: Mel Sorensen, American Council of Life Insurers.